

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 10. The Illinois Pension Code is amended by
5 changing Sections 9-134 and 9-134.3 as follows:

6 (40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

7 Sec. 9-134. Minimum annuity - Additional provisions.

8 (a) An employee who withdraws after July 1, 1957 at age
9 60 or more with 20 or more years of service, for whom the
10 amount of age and service and prior service annuity combined
11 is less than the amount stated in this Section from the date
12 of withdrawal, instead of all annuities otherwise provided in
13 this Article, is entitled to receive an annuity for life of
14 an amount equal to 1 2/3% for each year of service, of his
15 highest average annual salary for any 5 consecutive years
16 within the last 10 years of service immediately preceding the
17 date of withdrawal; provided that in the case of any employee
18 who withdraws on or after July 1, 1971, such employee age 60
19 or over with 20 or more years of service, or who withdraws on
20 or after January 1, 1982 and on or after attainment of age 65
21 with 10 or more years of service, shall instead receive an
22 annuity for life equal to 1.67% for each of the first 10
23 years of service; 1.90% for each of the next 10 years of
24 service; 2.10% for each year of service in excess of 20 but
25 not exceeding 30; and 2.30% for each year of service in
26 excess of 30, based on the highest average annual salary for
27 any 4 consecutive years within the last 10 years of service
28 immediately preceding the date of withdrawal.

29 An employee who withdraws after July 1, 1957, but prior
30 to January 1, 1988, with 20 or more years of service, before
31 age 60 is entitled to annuity, to begin not earlier than age

1 55, if under such age at withdrawal, as computed in the last
2 preceding paragraph, reduced 1/2 of 1% for each full month or
3 fractional part thereof that his attained age when annuity is
4 to begin is less than 60 to the end that the total reduction
5 at age 55 shall be 30%, except that an employee retiring at
6 age 55 or over but less than age 60, having at least 35 years
7 of service, shall not be subject to the reduction in his
8 retirement annuity because of retirement below age 60.

9 An employee who withdraws on or after January 1, 1988,
10 with 20 or more years of service and before age 60, is
11 entitled to annuity as computed above, to begin not earlier
12 than age 50 if under such age at withdrawal, reduced 1/2 of
13 1% for each full month or fractional part thereof that his
14 attained age when annuity is to begin is less than 60, to the
15 end that the total reduction at age 50 shall be 60%, except
16 that an employee retiring at age 50 or over but less than age
17 60, having at least 30 years of service, shall not be subject
18 to the reduction in retirement annuity because of retirement
19 below age 60.

20 An employee who withdraws on or after January 1, 1992 but
21 before January 1, 1993, at age 60 or over with 5 or more
22 years of service, may elect, in lieu of any other employee
23 annuity provided in this Section, to receive an annuity for
24 life equal to 2.20% for each of the first 20 years of
25 service, and 2.40% for each year of service in excess of 20,
26 based on the highest average annual salary for any 4
27 consecutive years within the last 10 years of service
28 immediately preceding the date of withdrawal. An employee
29 who withdraws on or after January 1, 1992, but before January
30 1, 1993, on or after attainment of age 55 but before
31 attainment of age 60 with 5 or more years of service, is
32 entitled to elect such annuity, but the annuity shall be
33 reduced 0.25% for each full month or fractional part thereof
34 that his attained age when the annuity is to begin is less

1 than age 60, to the end that the total reduction at age 55
2 shall be 15%, except that an employee retiring at age 55 or
3 over but less than age 60, having at least 30 years of
4 service, shall not be subject to the reduction in retirement
5 annuity because of retirement below age 60. This annuity
6 benefit formula shall only apply to those employees who are
7 age 55 or over prior to January 1, 1993, and who elect to
8 withdraw at age 55 or over on or after January 1, 1992 but
9 before January 1, 1993.

10 An employee who withdraws on or after July 1, 1996 but
11 before August 1, 1996, at age 55 or over with 8 or more years
12 of service, may elect, in lieu of any other employee annuity
13 provided in this Section, to receive an annuity for life
14 equal to 2.20% for each of the first 20 years of service, and
15 2.40% for each year of service in excess of 20, based on the
16 highest average annual salary for any 4 consecutive years
17 within the last 10 years of service immediately preceding the
18 date of withdrawal, but the annuity shall be reduced by 0.25%
19 for each full month or fractional part thereof that the
20 annuitant's attained age when the annuity is to begin is less
21 than age 60, unless the annuitant has at least 30 years of
22 service.

23 The maximum annuity under this paragraph (a) shall not
24 exceed 70% of highest average annual salary for any 5
25 consecutive years within the last 10 years of service in the
26 case of an employee who withdraws prior to July 1, 1971, and
27 75% of the highest average annual salary for any 4
28 consecutive years within the last 10 years of service
29 immediately preceding the date of withdrawal if withdrawal
30 takes place on or after July 1, 1971 and prior to January 1,
31 1988, and 80% of the highest average annual salary for any 4
32 consecutive years within the last 10 years of service
33 immediately preceding the date of withdrawal if withdrawal
34 takes place on or after January 1, 1988. Fifteen hundred

1 dollars shall be considered the minimum amount of annual
2 salary for any year, and the maximum shall be his salary as
3 defined in this Article, except that for the years before
4 1957 and subsequent to 1952 the maximum annual salary to be
5 considered shall be \$6,000, and for any year before the year
6 1953, \$4,800.

7 (b) Any employee who withdraws on or after July 1, 1985
8 but prior to January 1, 1988, at age 60 or over with 10 or
9 more years of service, may elect in lieu of the benefit in
10 paragraph (a) to receive an annuity for life equal to 2.00%
11 for each year of service, based on the highest average annual
12 salary for any 4 consecutive years within the last 10 years
13 of service immediately preceding the date of withdrawal. An
14 employee who withdraws on or after July 1, 1985, but prior to
15 January 1, 1988, with 10 or more years of service, but before
16 age 60, is entitled to elect such annuity, to begin not
17 earlier than age 55, but the annuity shall be reduced 0.5%
18 for each full month or fractional part thereof that his
19 attained age when the annuity is to begin is less than 60, to
20 the end that the total reduction at age 55 shall be 30%;
21 except that an employee retiring at age 55 or over but less
22 than age 60, having at least 30 years of service, shall not
23 be subject to the reduction in retirement annuity because of
24 retirement below age 60.

25 An employee who withdraws on or after January 1, 1988, at
26 age 60 or over with 10 or more years of service, may elect,
27 in lieu of the benefit in paragraph (a), to receive an
28 annuity for life equal to 2.20% for each of the first 20
29 years of service, and 2.4% for each year of service in excess
30 of 20, based on the highest average annual salary for any 4
31 consecutive years within the last 10 years of service
32 immediately preceding the date of withdrawal. An employee who
33 withdraws on or after January 1, 1988, with 10 or more years
34 of service, but before age 60, is entitled to elect such

1 annuity, to begin not earlier than age 50, but the annuity
2 shall be reduced 0.5% for each full month or fractional part
3 thereof that his attained age when the annuity is to begin is
4 less than 60, to the end that the total reduction at age 50
5 shall be 60%, except that an employee retiring at age 50 or
6 over but less than age 60, having at least 30 years of
7 service, shall not be subject to the reduction in retirement
8 annuity because of retirement below age 60.

9 The maximum annuity under this paragraph (b) shall not
10 exceed 75% of the highest average annual salary for any 4
11 consecutive years within the last 10 years of service
12 immediately preceding the date of withdrawal if withdrawal
13 occurs prior to January 1, 1988, or 80% of the highest
14 average annual salary for any 4 consecutive years within the
15 last 10 years of service immediately preceding the date of
16 withdrawal if withdrawal takes place on or after January 1,
17 1988.

18 The provisions of this paragraph (b) do not apply to any
19 former County employee receiving an annuity from the fund,
20 who re-enters service as a County employee, unless he renders
21 at least 3 years of additional service after the date of
22 re-entry.

23 (c) For an employee receiving disability benefit, the
24 salary for annuity purposes under paragraph (a) or (b) of
25 this Section shall, for all periods of disability benefit
26 subsequent to the year 1956, be the amount on which his
27 disability benefit was based.

28 (d) A county employee with 20 or more years of service,
29 whose entire disability benefit credit period expires before
30 attainment of age 50 (age 55 if expiration occurs before
31 January 1, 1988), while still disabled for service is
32 entitled upon withdrawal to the larger of:

33 (1) The minimum annuity provided above, assuming
34 that he is then age 50 (age 55 if expiration occurs

1 before January 1, 1988), and reducing such annuity to its
2 actuarial equivalent at his attained age on such date, or

3 (2) the annuity provided from his age and service
4 and prior service annuity credits.

5 (e) The minimum annuity provisions above do not apply to
6 any former county employee receiving an annuity from the
7 fund, who re-enters service as a county employee, unless he
8 renders at least 3 years of additional service after the date
9 of re-entry.

10 (f) Any employee in service on July 1, 1947, or who
11 enters service thereafter before attaining age 65 and
12 withdraws after age 65 with less than 10 years of service for
13 whom the annuity has been fixed under the foregoing Sections
14 of this Article, shall, instead of the annuity so fixed,
15 receive an annuity as follows:

16 Such amount as he could have received had the accumulated
17 amounts for annuity been improved with interest at the
18 effective rate to the date of withdrawal, or to attainment of
19 age 70, whichever is earlier, and had the county contributed
20 to such earlier date for age and service annuity the amount
21 that it would have contributed had he been under age 65,
22 after the date his annuity was fixed in accordance with this
23 Article, and assuming his annuity were computed from such
24 accumulations as of his age on such earlier date. However
25 those employees who before July 1, 1953, made additional
26 contributions in accordance with this Article, the annuity so
27 computed under this paragraph shall not exceed the annuity
28 which would be payable under the other provisions of this
29 Section if the employee concerned was credited with 20 years
30 of service and would qualify for annuity thereunder.

31 (g) Instead of the annuity provided in this or any other
32 Section of this Article, an employee having attained age 65
33 with at least 15 years of service may elect to receive a
34 minimum annual annuity for life equal to 1% of the highest

1 average annual salary for any 4 consecutive years within the
2 last 10 years of service immediately preceding retirement for
3 each year of service, plus the sum of \$25 for each year of
4 service provided that no such minimum annual annuity may be
5 greater than 60% of such highest average annual salary.

6 (h) The annuity is payable in equal monthly
7 installments.

8 (i) If, by operation of law, a function of a
9 governmental unit, as defined by Section 20-107 of this Code,
10 is transferred in whole or in part to the county in which
11 this Article 9 is created as set forth in Section 9-101, and
12 employees of the governmental unit are transferred as a class
13 to such county, the earnings credits in the retirement system
14 covering the governmental unit which have been validated
15 under Section 20-109 of this Code shall be considered in
16 determining the highest average annual salary for purposes of
17 this Section 9-134.

18 (j) The annuity being paid to an employee annuitant on
19 July 1, 1988, shall be increased on that date by 1% for each
20 full year that has elapsed from the date the annuity began.

21 (k) Notwithstanding anything to the contrary in this
22 Article 9, Section 20-131 shall not apply to an employee who
23 withdraws on or after January 1, 1988, but prior to attaining
24 age 55. Therefore, no employee shall be entitled to elect to
25 have the alternative formula previously set forth in Section
26 20-122 prior to the amendatory Act of 1975 apply to any
27 annuity, the payment of which commenced after January 1,
28 1988, but prior to such employee's attainment of age 55.

29 (Source: P.A. 86-272; 87-794.)

30 (40 ILCS 5/9-134.3)

31 Sec. 9-134.3. Early retirement incentives.

32 (a) To be eligible for the benefits provided in this
33 Section, a person must:

1 (1) be a current contributing member of the Fund
2 established under this Article who, on May 1, 1997 and
3 within 30 days prior to the date of retirement, is (i) in
4 active payroll status in a position of employment under
5 this Article or (ii) receiving disability benefits under
6 Section 9-156 or 9-157; or else be eligible under
7 subsection (g);

8 (2) have not previously retired from the Fund,
9 except as provided under subsection (g);

10 (3) file with the Board before October 1, 1997 (or
11 the date specified in subsection (g), if applicable), a
12 written application requesting the benefits provided in
13 this Section;

14 (4) elect to retire under this Section on or after
15 September 1, 1997 and on or before February 28, 1998 (or
16 the date established under subsection (d) or (g), if
17 applicable);

18 (5) have attained age 55 on or before the date of
19 retirement and before February 28, 1998; and

20 (6) have at least 10 years of creditable service in
21 the Fund, excluding service in any of the other
22 participating systems under the Retirement Systems
23 Reciprocal Act, by the effective date of the retirement
24 annuity or February 28, 1998, whichever occurs first.

25 (b) An employee who qualifies for the benefits provided
26 under this Section shall be entitled to the following:

27 (1) The employee's retirement annuity, as
28 calculated under the other provisions of this Article,
29 shall be increased at the time of retirement by an amount
30 equal to 1% of the employee's average annual salary for
31 the highest 4 consecutive years within the last 10 years
32 of service, multiplied by the employee's number of years
33 of service credit in this Fund up to a maximum of 10
34 years; except that the total retirement annuity,

1 including any additional benefits elected under Section
2 9-121.6 or 9-179.3, shall not exceed 80% of that highest
3 average annual salary.

4 (2) If the employee's retirement annuity is
5 calculated under Section 9-134, the employee shall not be
6 subject to the reduction in retirement annuity because of
7 retirement below age 60 that is otherwise required under
8 that Section.

9 (c) A person who elects to retire under the provisions
10 of this Section thereby relinquishes his or her right, if
11 any, to have the retirement annuity calculated under the
12 alternative formula formerly set forth in Section 20-122 of
13 the Retirement Systems Reciprocal Act.

14 (d) In the case of an employee whose immediate
15 retirement could jeopardize public safety or create hardship
16 for the employer, the deadline for retirement provided in
17 subdivision (a)(4) of this Section may be extended to a
18 specified date, no later than August 31, 1998, by the
19 employee's department head, with the approval of the
20 President of the County Board. In the case of an employee
21 who is not employed by a department of the County, the
22 employee's "department head", for the purposes of this
23 Section, shall be a person designated by the President of the
24 County Board.

25 (e) Notwithstanding Section 9-161, an annuitant who
26 reenters service under this Article after receiving a
27 retirement annuity based on benefits provided under this
28 Section thereby forfeits the right to continue to receive
29 those benefits and shall have his or her retirement annuity
30 recalculated without the benefits provided in this Section.

31 (f) This Section also applies to the Fund established
32 under Article 10 of this Code.

33 (g) A person who (1) was a participating employee on
34 November 30, 1996, (2) was laid off on or after December 1,

1 1996 and before May 1, 1997 due to the elimination of the
2 employee's job or position, (3) meets the requirements of
3 items (3) through (6) of subsection (a), and (4) has not been
4 reinstated as a Cook County employee since being laid off is
5 eligible for the benefits provided under this Section. For
6 such a person, the application required under subdivision
7 (a)(3) of this Section must be filed within 60 days after the
8 effective date of this amendatory Act of the 92nd General
9 Assembly, and the date of retirement must be on or before the
10 later of February 28, 2002 or 60 days after the effective
11 date of this amendatory Act.

12 In the case of a person eligible under this subsection
13 (g) who began to receive a retirement annuity before the
14 effective date of this amendatory Act, the annuity shall be
15 recalculated to include the increase under this Section, and
16 that increase shall take effect on the first annuity payment
17 date following the date of application.

18 (Source: P.A. 90-32, eff. 6-27-97.)

19 Section 90. The State Mandates Act is amended by adding
20 Section 8.25 as follows:

21 (30 ILCS 805/8.25 new)

22 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
23 and 8 of this Act, no reimbursement by the State is required
24 for the implementation of any mandate created by this
25 amendatory Act of the 92nd General Assembly.

26 Section 99. Effective date. This Act takes effect upon
27 becoming law.